

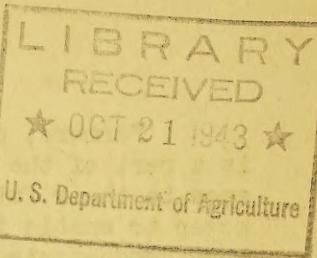
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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics
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AGRICULTURAL POST-WAR PROGRAMS

Address by Raymond C. Smith, Chief Program Analyst, Bureau of Agricultural Economics and Chairman of the Department Interbureau Committee on Post-war Programs, at the 21st Annual Agricultural Outlook Conference, Washington, D. C., October 20, 1943.

The people and their Government are realizing more and more as each month takes us closer to the end of the war that the Nation will face tremendous problems when hostilities cease. They are showing an increasing concern about being prepared in advance to meet these problems.

Many are prone to compare this war with the last World War and to assume that the problems at the end of the two will be similar. It must be kept in mind, however, that this is our first experience with total war. We may have many of the same types of problems at the end of this war that we had last time but the magnitude of many of them may be very much greater.

The duration of the war itself will influence the adjustments needed after the war. Obviously, the manner in which we handle war-time problems — what we do and what we fail to do, in controlling inflation for example — will influence the types of post-war problems, their size, and the degree of difficulty in solving them. But in any event the transition from total war to peace will present problems, some of which, if we are not in position to meet them, might bring disastrous consequences.

This time we shall have around three times as many men in the armed forces as we did in the last war. It may well be that reabsorbing this larger number into peace-time occupations will be more than three times as difficult a task. During the last war, the production of a much smaller volume of military supplies and equipment could be handled, in the main, in addition to business as usual. With many more men and a very much larger amount of equipment required in mechanized total war, this time we have had to convert a large portion of peace-time industry to war production. Reconversion, almost a new type of problem, presents new and probably extremely difficult problems, particularly when we consider that in addition to the millions of returned soldiers, other millions of war workers will be seeking employment.

Farmers, too, have had a larger task than during the other war. They are producing and finding eager purchasers at good prices for a third more production than before the war. Is there any wonder that farm men and women are raising questions concerning the possible effects of the change from war to peace upon them, upon their markets, upon their opportunities to produce, and upon their standards of living?

Farmers, perhaps more than ever before, are realizing that agriculture is a part of the total national economy, and that it is of the utmost importance to their future welfare that they have customers with sufficient purchasing power to enable them to consume the abundance of commodities which the farmers have demonstrated so well during the war that they not only can but want to produce. Farm people and others are raising such questions as "What are the elements of national policy best calculated to maintain adequate employment, insure a progressively expanding economy, provide a reasonable standard of living, and promote world peace in the years that lie beyond the war?"

I am assuming that we all agree that, at the end of the war, our democracy will be faced with one of the severest tests in its entire history. May I ask a few questions? In looking forward to the critical period ahead, what responsibilities and obligations do you believe the Department of Agriculture and the Land-Grant Colleges have to help farm people to prepare in advance to meet post-war problems? Do they have an obligation to analyze the probable effects of the transition from war to peace upon agriculture and to devise suggested plans for meeting problems that may develop at that time? Do they have an obligation to develop suggestions on how agriculture can make a real contribution toward solving national problems broader than agriculture but which impinge upon the welfare of farm people as well as upon the rest of the population? Do they have an obligation to call to the attention of farmers the problems which they believe farmers may face at that time? Do they have an obligation to give farmers as much information as possible that may have some bearing on these problems? Do they have an obligation to stimulate and assist farmers in every way possible to think through these problems now so they will be prepared to make suggestions as to the best means of solving them? Do they have an obligation to submit to farm people for criticism and improvement the results of their own thinking on these problems together with their ideas on possible solutions? I feel that most of us would agree that the Department of Agriculture and the Land-Grant Colleges have an inescapable responsibility to do all of these things.

Already a beginning has been made in the Department and in the Land-Grant Colleges in studying post-war problems. Other groups also have begun to study post-war agricultural problems. Farm organizations are studying problems which they believe may confront agriculture at the end of the war and are discussing them in their meetings. Some of them have special committees at work developing proposals for solving post-war problems. As an example of the consideration being given to post-war planning by farm organizations, the Board of Directors of the American Farm Bureau Federation devoted two full days at a recent meeting to this subject and prepared "A Guide to Post-war Planning" which appears in the current issue of their publication "The Nation's Agriculture." Other private groups, for example the National Planning Association, are engaged in post-war planning for agriculture. The Agriculture Committee, in addition to the Industrial and Labor Committees of this association, has been active in planning for the post-war period.

A considerable amount of post-war planning is under way outside of the field of agriculture. The Committee for Economic Development, a private group representing business interests, is carrying on a Nation-wide program of post-war planning. This committee is organized nationally, regionally, in the States, and in hundreds of communities, and is stimulating widespread planning activities, plant by plant, in the field of business and industry. Labor organizations also are giving attention to post-war problems. Since farmers have such a large stake in full employment in industry and in a healthy total national economy they naturally have an interest in many planning activities outside the purely agricultural field.

Public agencies -- Federal, State, and local -- are engaging in post-war planning, as is Congress, through the "George Committee", and in other ways. Much of the post-war work being carried on in the Department of Commerce, the Department of the Interior, the Bureau of Labor Statistics of the Department of Labor, and in several other governmental agencies has significance for agriculture. The work of the Conference on Post-war Readjustment of Civilian and Military Personnel, which was carried on under the leadership of Dr. Floyd Reeves, who preceded me on this program, was a post-war planning effort of direct concern to farm people; I am sure that farmers would profit by studying carefully the report prepared by this group entitled "Demobilization and Readjustment." In the international field, agriculture and food were the first post-war problems to receive important consideration. The United Nations Conference at Hot Springs reported facts and made recommendations which farmers can not afford to overlook, and which all persons interested in the future of agriculture, either in this country or abroad, should take into account.

The Department of Agriculture has been giving limited attention to planning post-war programs since before Pearl Harbor. But during the past summer it took inventory of the work under way and decided that this work would have to be expanded greatly and accelerated rapidly if agriculture is to be prepared for peace. The Secretary of Agriculture, with full recognition of the urgent war activities that must be handled, ordered full steam ahead on the part of the Department in planning post-war programs, not only to prevent losing the peace, but also as a contribution toward winning the war itself.

It was decided to hold a national conference on agricultural post-war programs at Milwaukee during the last week in July and to develop a program of post-war planning activities for the current year. Attending this conference were the Secretary, a number of bureau chiefs and agency heads, the members of the Interbureau Committee on Post-war Programs, the Chairman and one or two additional members of each of the nine Regional Committees on Post-war Programs, the Chairman of the Extension Organization and Policy Committee of the Land-Grant College Association, the Chairman and members of the Experiment Station Organization and Policy Committee of the Land-Grant College Association, and a few others.

Participants in this conference developed recommendations concerning a program of appropriate planning activities for the current fiscal year. I should like to describe briefly each of these activities and then point out in a general way how the work is being done. Part of the program involves

work started last year. Among the activities that were under way last year are the following:

1. Preparation of a report on "National Agricultural Policy After the War". This report on which the nine Regional Committees and a group in Washington worked during last year was reviewed and completed at the Milwaukee Conference by a working committee, under the chairmanship of Bushrod Allin. Although printed copies of this report are not yet ready for distribution, mimeographed copies are available to all attending this Outlook Conference. The scope of this report is indicated by the sub-titles which are as follows:

1. Adequate Food and Fiber for All
2. Parity Income for Farmers
3. Parity of Public Services and Facilities for All Rural People
4. Better Marketing at Lower Cost
5. Dominance of Family Farms
6. Good Land-Tenure Conditions
7. Reclamation and Cultivation of Potentially Good Land
8. Employment and Security for Part-Time Farmers and for "Rural Residents"
9. Fertile Soils and Luxuriant Forests
10. High Level of Industrial Activity
11. Freer International Trade
12. By the Democratic Process

2. Preparation of a Report on the Situation in Agriculture at the End of the War. This activity has been completed since the Milwaukee Conference, and a mimeographed report is available for the first time today. This report was based upon work accomplished during the past year by the Regional Committees and by a working group of the Washington Interbureau Committee under the leadership of F. F. Elliott. It shows as accurately as possible at this time what the situation will be at the end of the war with respect to acreages of different crops, numbers of different kinds of livestock, farm manpower, the condition of soil, range, water, and forest resources, agricultural machinery, farm buildings, and other production items as well as items in family living such as housing, health, and medical care. It also points out implications for agriculture in the various assumed stages of the post-war period.

3. Agricultural-Industrial Relations. This activity which has been under the leadership of Mordecai Ezekiel during the year has to do with the relationships between the welfare of farmers and industrial activity and employment, both in this country and abroad, that is, with those factors that influence the levels of demand for farm products rather than the adjustment of farmers to that demand. The main objective is to help farmers to understand the extent to which their prosperity is dependent on high levels of activity and prosperity among the consumers of their products, both in our own country and abroad. Informational materials are to be

prepared in the broad field of the interdependence of agriculture and industry to provide a basis for helping farmers choose wisely when it comes to deciding on public policies that influence the levels of employment, industrial activity, and international trade. Also as a part of this activity, appraisals will be made from time to time of the current status of economic developments with reference to the stages reached in the various periods of war or post-war adjustment.

4. Area Programs of Development and Conservation of Natural Resources and Improvement in Living Conditions. Development of area plans will provide for each area in the country a suggested program of needed developments and improvements both in the physical resource field and in the field of farm family living. Some progress was made in this work during the year by the Regional Committees on Post-war Programs, but the work has been considerably expanded and is being given much greater attention during the current fiscal year. Through this activity an attempt will be made to analyze and set forth the present condition of the basic physical resources and the situation in regard to rural living conditions, to enumerate desirable objectives and the major problems involved in attaining them, and to indicate the remedial measures needed to solve these problems. Where feasible, estimates will be made in terms of physical units, labor, and cost for the remedial measures necessary, particularly for those measures which might be effectuated as a part of a public works program. The items listed for consideration in the area planning work are as follows:

a. Development and conservation of natural resources, including

- (1) Forest lands
- (2) Range lands
- (3) Crop and pasture lands

b. Improvement in living conditions, including

- (1) Rural population in relation to resources
- (2) Farm family living, including health and sanitation, rural housing and equipment, nutrition, clothing, communications, and social security
- (3) Community services, including rural electrification, cooperatives, agricultural buildings, recreation, and rural education
- (4) Farm organization, including size of farm, production adjustments, tenure, credit, farm equipment and utilization of released Government lands
- (5) Marketing, processing, and transportation facilities
- (6) Cooperation of agriculture, labor, industrial management, and Government

Although there is some overlapping between the items listed in the area plans with other items in the program of work, it should be kept in mind that through the area plans a different approach is made, involving for each area an over-all consideration of all the problems found there, showing their interrelatedness, and developing, insofar as possible, proposed area programs for their solution.

5. Public Works Programs. The area plan work described above will result in an inventory of needed developments and improvements throughout the entire country. A portion of these improvements could be brought about through a public works program should the general situation at the end of the war necessitate a public works program. The President has called for a shelf of public works projects to be available in case it should be necessary for the Government to supplement private enterprise in furnishing employment opportunities at the end of the war. Through this activity, a shelf of worth-while projects will be planned, including detailed operating plans, so they may be undertaken without delay if there is need for a public works program in the demobilization period. The various agencies of the Department will develop the detailed operating plans for such projects.

New activities included within the post-war program for this year are the following:

1. Production Adjustments in Agriculture During the Demobilization Period. This activity will involve an appraisal of what production adjustments may be needed during the first year or two after the end of the war. An analysis will be made of the over-all requirements for food and fiber during the demobilization period, of the acreage of the different crops and numbers of different classes of livestock that would be required to provide this production, of the adjustments in the level and pattern of production prevailing when demobilization begins that would be required in the different areas and regions and for the country as a whole, and of the extent that the indicated adjustments would be possible as well as the suggested lines of action necessary to put them into operation. An attempt will be made to distinguish between the types and magnitude of adjustments needed in different assumed sub-periods of the entire demobilization period. A comparison will also be made between the indicated adjustments during the demobilization period and desirable longer-time farming patterns for each area.

2. Programs for Marketing and Distribution During the Demobilization Period. Through this activity attention will be given to specific marketing and distribution problems which are likely to be most pressing during the demobilization period and are of such nature that they can be effectively dealt with in a short time. It is recognized that there are also longer-run problems, such as improvement of marketing efficiency and drastic lowering of marketing costs and charges. However, during the current fiscal year, major attention will be given, as in the case of the production-adjustment activity above, to problems which will need special attention during the demobilization period, including:
(a) Programs for the integration of food requirements of the United States with estimates of world supply and allocation, (b) readjustments in processing and marketing facilities and methods, (c) disposition of wartime regulations concerning food distribution, (d) price and rationing controls, (e) insuring adequate diets to meet special needs and for under-privileged groups assuming two

situations, one conditions of full employment and the other conditions of less than full employment, (f) marketing and price measures designed to guide production and distribution, (g) programs to maintain farm prices and incomes assuming depression conditions, (h) measures to expand export outlets, and (i) program of public works projects to provide modern, efficient, and adequate marketing and distribution facilities, such as county assembling facilities, processing and storage facilities, terminal produce markets, and school kitchens.

3. Industry in Rural Areas. Undeveloped industrial possibilities exist in many parts of the country. Development of these potentialities in the post-war period will be essential to the maintenance of employment and, if properly developed, can offer needed employment opportunities to rural residents, supplement the economy of rural areas, and afford farmers added local markets and local sources of goods they require. Through this activity a few interested rural communities will be assisted during the current year to explore the possibilities of converting war plants to peace-time uses, of re-opening plants closed during the war, or of developing new industries. Studies will be made of the prospective farmers' demands for industrial products as well as of the possibilities for manufacturing them within the area. These studies will have to take into account the possible advantages of local manufacture for local consumption as compared with bringing in products from outside the area, available raw materials, transportation problems, comparative costs of production, relations between industries already in the area and those in nearby areas, the advantages of cheap electrical power in rural areas, and many other factors. The local communities will be assisted so far as possible to bring about a better balance in the economy of the area through supplementing the agriculture already there with appropriate industrial activity.

4. Disposition of Land Temporarily Used by Military Forces and War Plants. Some 20 million acres of land are now being used for such military purposes as war plants, cantonments, bombing ranges, etc. Although more than half of this land was in public ownership before the war, several million acres of farm land were acquired from private owners. It appears that there may be an opportunity for reconverting a portion of this land to farms after the war. Through this activity, it is proposed to determine how much land not needed by the Army and Navy after the war is suitable for farming, forest, and grazing, and how to work out arrangements for the disposition of this land in such a way as to assure its proper use in family-size units in the future.

5. Opportunities for Settlers on Land After the War. Agriculture can no doubt provide opportunities on the land for a number of returned soldiers and workers in war industries. However, there is a limit in the number who can be absorbed in agriculture without detriment both to the people returning and to those already on the land. Agriculture is not in a position to withstand a large scale unguided back-to-the-land movement on the theory that it can serve as a shock-absorber for the entire economy. Through this activity it is proposed to analyze the situation in agriculture and determine just where the areas are which could absorb additional population, what measures in the way of draining, clearing, irrigating, and changes in present land use would be required, and how many additional people agriculture might reasonably be expected to absorb. Assumptions will have to be made as to the total requirements for agricultural production, and of the production techniques likely to be used. This work is intended to develop information useful to those responsible for land-settlement policies at the end of the war.

6. Tenure. Through this activity the possibility of bringing about improvements in land tenure during the post-war period will be explored. This will involve study of the effects of tenure upon attaining such objectives as conservation of natural resources, obtaining required agricultural production, and increasing the level of living and security of farm operators, tenants, and hired workers. Special attention will be given to studying the economic and social effects of programs to assist tenants in reaching the ownership rung of the agricultural ladder. Consideration will be given to problems of balance between owner-operators, and tenancy and labor, and to ascertaining which aspects of the tenure system are in the most urgent need of improvement.

7. Credit. This activity is designed to consider the place of credit in bringing about needed agricultural adjustments in the post-war period, and how the use of credit can further the agreed-upon objectives. In looking to the immediate years after the war, major attention will be given to the use of credit as an aid in the establishment of family-type farms on lands released from military use, in the establishment of returned soldiers and war industry workers on farms, in the encouragement of good farming practices, and in the restoration or improvement of depleted crop, range, water, and forest resources.

8. Social Security for Farm People. Through this activity an attempt will be made to explore fully the conditions affecting the extension of social security benefits to farm people. The work will involve analysis of existing social security programs and of various proposals for extending coverage to the self-employed and hired workers in agriculture. The results of these studies will be prepared for distribution to farmers, to aid them in considering this problem and in developing any recommendations concerning Old Age and Survivors Insurance, health programs, or other types of social security programs in which they may be interested.

9. Education, Information, and Special Services for Farmers and Other Groups Participating in Developing Post-war Programs. This activity is designed to assist farmers, their organizations, and other groups interested in agriculture, to become informed concerning issues and problems likely to affect agriculture during the post-war period and concerning measures and plans being proposed for their solution; also to encourage and assist them to participate actively in their own communities, States, regions, and nationally, in developing plans and proposals to solve anticipated post-war problems. This activity was included in the program with the hope that it would help assure that post-war programs for agriculture would be developed democratically and be widely acceptable to the people of the Nation.

Included as a part of this activity will be the preparation of circulars, press releases, materials for radio programs, and other informational material relating to the post-war problems, issues, and programs. Also appraisals will be made from time to time of the attitudes and viewpoints of farmers and others with respect to post-war problems, and proposed programs for meeting them. Serious consideration will be given to all suggestions made by private citizens and groups and to their proposed plans for meeting post-war problems. Requests for information on the part of discussion groups, farmers' organizations, and other groups interested in agriculture will be granted insofar as possible. The results obtained through the activities already discussed will be drawn upon heavily in carrying out this part of the program.

This briefly summarizes the activities under way in the post-war program. I should now like to discuss briefly the manner in which they are being carried on. It is the policy of the Department to develop active cooperation between workers in the Land-Grant Colleges and in the Department in conducting this work. The Department is placing increasing emphasis on work on post-war problems and believes that the Land-Grant Colleges should do likewise. The Department has selected the post-war activities just described, which it believes should receive attention, and has invited the Colleges to examine these problems, and along with the Department jointly select those on which they will cooperate. In addition, it has offered to cooperate, so far as facilities permit, on other post-war problems of mutual interest which may be proposed by the Colleges for joint effort. Most of the Colleges already are cooperating in the joint program. It is probable that at the Land-Grant College Association meeting next week, arrangements will be worked out by the Colleges for increasing their efforts in post-war planning and for furthering close cooperation with the Department in this joint undertaking. This collaboration between workers in the Colleges and in the Department is effectuated in the main through their participation on joint working groups at the State and regional levels.

The whole approach is to weld the pooled resources of the Land-Grant Colleges and of the various agencies of the Department into an integrated attack upon post-war problems. The machinery for accomplishing this consists of the Department Interbureau Committee in Washington and its various working groups, each under the leadership of a National Activity Leader; the nine Regional Committees on Post-war Programs made up of representatives of the Department and of the Colleges, together with their regional working groups, each under the leadership of a Regional Activity Leader, the State working groups, made up of both College and Department workers, each usually under the leadership of a State Activity Leader. The working groups in Washington and those at the regional and State levels who are made up of Department and Land-Grant College workers, constitute through their collaboration a joint staff of technicians to study post-war problems, to assemble pertinent information which has a bearing upon them, and to develop tentative plans for their solution. The results of the work of this joint staff are then made available to State Agricultural Committees on Post-war Programs, to the joint Department-College Regional Committees on Post-war Programs, to the Department Interbureau Committee on Post-war Programs in Washington, to such groups as farm organizations, and to other public and private groups interested in the welfare of agriculture.

Although the Department of Agriculture does not intend to organize such State Committees as those to which I have just referred, it has urged the Colleges to organize or sponsor such committees wherever none is already in existence, and to include in their membership, representatives of farm organizations and of other private groups interested in the welfare of agriculture as well as representatives of the Colleges, of the Department, and of other interested public agencies. The joint working groups made up of College and Department workers would be in a position, as a result of their work on post-war problems, to make information and tentative plans available to such State Committees for their use in developing recommendations concerning post-war programs. The Department is committed to give serious consideration to proposals concerning post-war agricultural problems made by such State Committees and by other groups interested in agriculture.

Insofar as the Department's part of this joint effort is concerned, the Regional Committees will be primarily responsible for the work on area plans while various agencies of the Department will be primarily responsible for the other activities in the post-war program. The Department's participation in working groups, national, regional, and State, will be on an interbureau basis making the work truly Department-wide. It is expected that the Colleges' participation also will be widely representative of the various departments of the Colleges.

Washington consultants will be available to assist the Regional Committees with the various aspects of the area planning work to be carried on jointly by Department and College workers at the regional and State levels. The National Activity Leaders and the Chairmen of the Regional Committees working together closely will make arrangements, usually through Regional Activity Leaders, with the Colleges and the agencies of the Department, for the collaboration of their workers at the regional and State levels on the other activities in the joint program. Many of the results obtained through these other activities eventually will be incorporated in the area plans or be used as background material in their preparation.

I have sketched briefly the various activities included within the joint post-war planning program of the Department and the Land-Grant Colleges and have attempted to indicate the way in which it is being carried out. I have mentioned also some of the other planning work under way, both private and public, that is significant for agriculture. I think I need not emphasize to this group the importance of planning now for the post-war period. I hope a sufficient amount of it will be done so that when hostilities cease agriculture will be prepared to attack vigorously the problems involved in the transition from war to peace, and, in the longer run, will be in position to move forward to a better agriculture and a more satisfying rural life than we heretofore have known.